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MANAGEMENT COUNCIL NEWSLETTER

U. S. Department of Agriculture

A summary of significant events of
interest to USDA management

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ASSISTANT SECRETARY FOR MARKETING SERVICE. President Carter's nomination of P. R. "Bobby" Smith to be Assistant Secretary for Marketing Services was confirmed by the Senate on February 24. Mr. Smith has been a consultant to the Secretary for the past year, primarily in the areas of cotton, tobacco and energy policy.

A native of Barrow County, Georgia, Mr. Smith owned and operated a 2,000 acre farm at Winder, Georgia before coming to Washington. He also operated a cotton ginning and warehousing firm and a seed processing company. Mr. Smith has long been active in farm organizations and has served as vice president of the Georgia Farm Bureau Federation.

RESPONSIBILITY FOR DEPARTMENT MANAGEMENT ACTIVITIES. Secretary's Memorandum No. 1935, dated February 16, orders the transfer of USDA management program responsibilities to the Assistant Secretary for Administration. These changes include all activities carried out by or through the Management Division of the Office of Budget, Planning and Evaluation, including but not limited to productivity and work measurement activities; organizational reviews and analyses; management analysis studies and reviews; analysis, review and approval of arrangements for use of consultant services and, committee management.

The Assistant Secretary for Administration is designated as the Departmental Control Officer for Commercial/Industrial Activities, Committee Management, and Major Systems Acquisitions. The Assistant Secretary for Administration is also designated as the Organization Structure Approval Officer.

These changes will be implemented within thirty days from the date of the Secretary's Memorandum or at such earlier time as delegations of authority reflecting such changes are published in the Federal Register. (Contact: C. R. Hanna, ext. 76111)

TAX CHANGES PROPOSED BY TREASURY. The Treasury Department is recommending that the cost of living allowance paid employees serving in Alaska, Hawaii, Puerto Rico, etc, be taxed. In addition, Treasury is also recommending that overseas employees of the Federal Government include as taxable income the lesser of either the full amount of their housing allowance or 20 percent of their gross pay. OMB asked for comments on this proposal and the Department has responded with a letter from Dr. Wallace strongly opposing these recommendations. Secretary Bergland sent a letter to Treasury Secretary Blumenthal indicating the Department's opposition to the Treasury proposal.

The Department believes that these actions would make it difficult to recruit competent employees to fill positions overseas and in high cost areas such as Alaska and Hawaii. (Contact: Dick Smith, FAS, ext. 73138)

FNS FINANCIAL MANAGEMENT INFORMATION SYSTEM (FMIS).....A pre-proposal conference for prospective bidders for the FMIS project was held on February 2. The conference was well attended by industry with 78 persons representing 40 organizations. In addition to many highly reputable smaller firms, six of the Big 8 accounting houses were present along with most of the major ADP software firms.

A two-stage implementation is scheduled for the FMIS. The support subsystems, which include the agency's accounting and budgeting functions, are scheduled to become operational a year and 7 months after the award of the contract (Stage 1). The program subsystems are scheduled to become operational 11 1/2 months later (Stage 2). The FMIS when fully operational, will provide support to FNS in meeting its fiduciary responsibilities. The FMIS is also expected to improve decision making by FNS program managers by providing more timely and usable information.

An FNS Steering Group with representation from OIG, OBPE, O&F, GAO, and OMB has been functioning as an advisory body since the inception of the FMIS project. Major milestones during the next several months for the FMIS project include:

- Mar 10 Receive contract proposals in FNS,
- Apr 10 Complete Round 1 Evaluation,
- May 11 Complete Round 2 Evaluation,
- May 22 Receive decision by FNS Board of Contract Awards, and
- Jun 12 Complete negotiations and commence contract.

(Contact: Wayne Simmons, FNS, ext. 78221)

MINORITY RECRUITING AND EMPLOYMENT.....In an attempt to augment minority recruiting and employment, SCS has worked out a high school recruiting program with Tennessee State University. Promising high school vocational agriculture seniors are employed by SCS as conservation aids during the summer following their high school graduation. These student students then enroll in the SCS Cooperative Education Program at Tennessee State when they begin college study. Alternating periods of SCS employment and Tennessee State study continue until graduation and full-time SCS employment. (Contact: Ken Novak, SCS, ext. 75489)

TASK INVENTORY REVIEW.....The Federal Acquisition Institute, formerly known as the Federal Procurement Institute, conducted a Governmentwide survey of 100 employees in the GS-1102-Contract and Procurement, 1105-Purchasing, and 1150-Industrial Specialist series. Based on these interviews, a task inventory of approximately 1,400 items was compiled. This inventory is now out for review by selected journeymen in various agencies. For USDA, the inventory was sent to APHIS, FS, SCS, and SEA. Reviewers were asked for comments, corrections, additions, and deletions.

This task inventory will be used as part of a questionnaire to establish job profiles and determine educational and training needs. (Contact: Art Langer, O&F, ext. 77527)

GRANT & COOPERATIVE AGREEMENT ACT OF 1977 (P. L. 95-224) PASSES CONGRESS.....

The Federal Grant and Cooperative Agreement Act was signed into law on February 3. The Act prescribed appropriate uses of contracts, grants and cooperative agreements, provides for a study on the feasibility of developing a comprehensive system of guidance for carrying out Federal assistance programs, authorizes OMB to develop interpretive guidelines to implement the Act and repeals P. L. 85-934 of September 6, 1958 (42 U.S.C. 1896 and 1892). "An Act to authorize the expenditure of funds through grants for support of scientific research and for other purposes one year after the enactment of P.L. 95-224." We expect to be included in the development of such guidelines, especially as they will apply to cooperative agreements. We have suggested to OMB that the study be completed prior to, and become the basis for, issuance of any guidelines. OMB is developing implementation guidelines prior to doing the study. Departmental agencies may be called upon for assistance in the study and in developing the guidelines. Those agencies most likely to be affected by this legislation should give some thought to how they would like to see the law implemented. The study report is to be submitted to the Congress two years from the enactment date of the Act. (Contact: Don Manns, O&F, ext. 72370)

ENERGY CONSERVATION GUIDELINES.....Draft guidelines for implementing Executive Order 12003 are now expected from the Department of Energy (DOE) in early April. Originally scheduled for release last November, Congressional delay on the National Energy Act has held up their issuance.

DOE now feels that the guidelines cannot wait, and intends to issue them in draft form with OMB and Congressional approval. USDA agencies will be asked to review and comment on their anticipated effect on USDA operations. The Facilities and Energy Management Division, O&F, will coordinate this effort. (Contact: Bill Saltsgaver, O&F, ext. 75225)

INTERNAL AUDIT - OMB CIRCULAR NO. A-95.....OMB is now finalizing the evaluation report on OMB Circular A-95 (Coordination of Federal and Federally Assisted Programs and Projects) process. It appears that one of the recommendations of the final report will require that Federal agencies with programs subject to the Circular perform an internal audit to evaluate the operation of the A-95 clearinghouse review process within their respective agencies. OMB is now developing guidelines for the audit. (Contact: Don Manns, O&F, ext. 72370)

OMB CIRCULAR NO. A-110.....The Departmental regulations to implement OMB Circular No. A-110, Uniform Administrative Requirements for Grants and Agreements with Educational Institutions, Hospitals and Other Nonprofit Organizations were printed and distributed on February 1. Individual program implementation regulations, as necessary, are to be completed and in place by July 30, 1978. Some additional copies of the Departmental regulations in booklet form are available. (Contact: Don Manns, O&F, ext. 72370)

NATIONAL FINANCE CENTER COMPUTER.....An award for a competitively procured computer was made to Honeywell for an initial installation of an H 66/80 to be upgraded within two years at a contract price discounted 75% below GSA schedule. Installation will be made by June 15. (Contact: Ray Long, O&F, ext. 76275)

FORT COLLINS COMPUTER CENTER (FCCC) PROCUREMENT.....An RFP was issued to vendors on March 8 for a computer system for the FCCC to replace the U1100/42 computer. Proposals are due from vendors by May 12. (Contact: Ray Long, O&F, ext. 76275)

PROPOSED CIVIL SERVICE REFORM PACKAGE HIGHLIGHTS.....

...Senior Executive Service (SES) - 9,000 Federal managers who make \$42,000-50,000 per annum could volunteer for participation in this program. Executives who volunteer for the program would be eligible for private corporation-style bonuses for superior performance or speedy dismissal for poor performance. All career supergrades and career executive level persons and all political appointees, except for those appointed by the President, would be covered.

...Incentive Pay - Periodic pay raises for approximately 72,500 managers and supervisors in grades GS-13 through 15 would no longer be virtually guaranteed. Under the proposed plan, agencies would be able to relate pay to performance. New supervisors would be on probation for one year and, if they did poorly, they would be placed back into their original lower level position.

...Firing Process - The current multi-level appeals system would be replaced under the new system with a one-shot appeal and the proposed removal system would be simplified and speeded up.

...Reorganization of the Civil Service Commission - A part of the Civil Service Commission would become an independent merit protection board under bipartisan leadership. Board members would serve an overlapping non-renewable 7-year term and would hear and decide most types of employee appeals and complaints. A special council would be attached to the Board with subpoena powers to investigate and prosecute people for illegal political activities or personnel practices and would be charged with the responsibility to protect "whistle blowers" from reprisal. The balance of the Commission would be established as the Office of Personnel Management and would be responsible for helping the President manage his workforce in much the same way as OMB manages money.

...Hiring, Staffing Tenure - This plan would permit each agency to do its own hiring instead of going to the Commission. This would greatly expedite hiring.

...Veterans Preference - Non-disabled veterans would be given preference in hiring and job retention for a 10-year period from discharge. After the 10 years, they would lose this preference. Disabled veterans would continue to receive lifetime preference in hiring and job retention. Disabled veterans with a compensable disability of 50 percent or more could be non-competitively appointed to the competitive service.

...Labor Practices Board - The plan proposed the creation of a Federal labor relations authority patterned after the private sector's National Labor Relations Board to resolve labor disputes. The President also pledged support for legislation not yet worked out to "improve Federal labor practices."

(Contact: Ernie Toth, OP, ext. 73641)

SUPPLEMENTAL APPROPRIATIONS.....On March 7 the President signed H. R. 9375, supplemental appropriations for FY 78 (P.L. 95-240). The measure contains additional funding for AMS marketing services, FCIC capital stock subscriptions, FmHA very low-income housing repair grants, SCS watershed and flood prevention operations, ASCS agricultural conservation program activities, and FS forest land management. (contact: Al Duran, OBPE, ext. 74654)